

TESTIMONY BY WESLEY K. MACHIDA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON FINANCE  
ON  
HOUSE BILL NO.119, H.D.2

February 27, 2015  
11:00 A.M.

RELATING TO HEALTH

House Bill No. 119, H.D.2, establishes a qualified tax exempt savings program to assist individuals and families to save their private funds to support individuals with disabilities, in conformity with the Federal "ABLE" (Achieving a Better Life Experience) Act just passed in December 2014.

The Department of Budget and Finance supports the intent of this bill; however the administration of a Hawaii ABLE Savings Program would more appropriately be placed within the programmatic agency involved with serving individuals with disabilities. A programmatic agency would be able to structure a program that best meets the need of the population which the ABLE Savings Program would benefit. The Director of Finance is responsible for public funds held in the state treasury; this savings program would contain private funds for the benefit of individuals.

The Department of Budget and Finance would be available to assist in procuring a financial firm to manage the program, once parameters for a Hawaii ABLE Savings Program are established by the appropriate state agencies.

Thank you for the opportunity to provide testimony on this measure.



## DISABILITY AND COMMUNICATION ACCESS BOARD

919 Ala Moana Boulevard, Room 101 • Honolulu, Hawaii 96814  
Ph. (808) 586-8121 (V/TDD) • Fax (808) 586-8129

February 27, 2015

### TESTIMONY TO THE HOUSE COMMITTEE ON FINANCE

#### House Bill 119, House Draft 2 – Relating to Health

The Disability and Communication Access Board supports House Bill 119, House Draft 2. The purpose of this bill is to establish the Hawaii ABLE Savings Program to authorize the Director of Finance to establish savings accounts to empower individuals with disabilities and their families to save private funds to support the individual with a disability, and create the Hawaii ABLE Savings Trust Fund.

President Obama enacted Public Law 113-295 better known as the Achieving a Better Life Experience (ABLE) Act on December 19, 2014. This national law allows people with disabilities to open special accounts to use to save up to \$100,000 without risking eligibility for Social Security and other government programs. It also allows individuals with disabilities to keep their Medicaid coverage with an ABLE account.

The ABLE Savings Program is modeled after Section 529 of the Internal Revenue Code's 529 College Savings Plans in which interest earned on savings will be tax-free. Individuals with disabilities incur many additional expenses related to increased costs for medical and dental care, costs for medical equipment (i.e., wheelchairs and hearing aids, etc.), assistive technology, as well as modifications to their homes and vehicles. The ABLE savings accounts will allow individuals with disabilities to save funds to cover these additional expenses.

Since the Department of Budget and Finance is already designated as the agency and has experience running the College Savings Plan, they are the appropriate agency to manage the ABLE Saving Program. With their experience in managing a similar type program, there will be a cost savings with start-up time for them to include the ABLE Savings Program.

DCAB's mission is to advocate and promote full inclusion, independence, equal access, and quality of life for persons with disabilities in society. Part of that responsibility includes advocating for the establishment of programs that will improve the lives of individuals with disabilities and their families in our community. The ABLE Savings Program satisfies that objective.

Thank you for the opportunity to testify.

Respectfully submitted,

BARBARA FISCHLOWITZ-LEONG  
Chairperson  
Legislative Committee

FRANCINE WAI  
Executive Director



**STATE OF HAWAII**  
STATE COUNCIL  
ON DEVELOPMENTAL DISABILITIES  
919 ALA MOANA BOULEVARD, ROOM 113  
HONOLULU, HAWAII 96814  
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543  
February 27, 2015

The Honorable Sylvia Luke, Chair  
House Committee on Finance  
Twenty-Eighth Legislature  
State Capitol  
State of Hawaii  
Honolulu, Hawaii 96813

Dear Representative Luke and Members of the Committee:

SUBJECT: HB 119 HD2 – Relating to Health

The State Council on Developmental Disabilities (DD) **SUPPORTS HB 119 HD2**. The purpose of this bill is establish the Hawaii ABLE Savings Program by authorizing the Director of Finance to establish savings accounts that empower individuals with a disability and their families to save private funds to support the individual with a disability, and create the Hawaii ABLE Savings Program Trust Fund.

Public Law 113-295, known as the Achieving a Better Life Experience (ABLE) Act, was signed into law by President Obama on December 19, 2014. This law allows people with disabilities to open special accounts where they can save up to \$100,000 without risking eligibility for Social Security and other government programs. Moreover, individuals can keep their Medicaid coverage with an ABLE account.

The ABLE account is modeled after 529 (Section 529 of the Internal Revenue Code) college savings plans, where interest earned on savings will be tax-free. It allows individuals with disabilities the same types of flexible savings accounts that people without disabilities have, such as college savings accounts, health savings accounts, and individual retirement accounts. Furthermore, an ABLE account would enable individuals with a disability to accrue funds to pay for a variety of expenses, such as medical and dental care, education, community-based supports, employment training, assistive technology, housing, and transportation.

Thank you for the opportunity to submit **supportive testimony for HB 119 HD2**.

Sincerely,

A handwritten signature in black ink, reading "Waynette K.Y. Cabral".

Waynette K.Y. Cabral, M.S.W.  
Executive Administrator

A handwritten signature in black ink, reading "Rosie Rowe".

Rosie Rowe  
Chair



## **HAWAII DISABILITY RIGHTS CENTER**

**1132 Bishop Street, Suite 2102, Honolulu, Hawaii 96813**

**Phone/TTY: (808) 949-2922 Toll Free: 1-800-882-1057 Fax: (808) 949-2928**

**E-mail: [info@hawaiidisabilityrights.org](mailto:info@hawaiidisabilityrights.org) Website: [www.hawaiidisabilityrights.org](http://www.hawaiidisabilityrights.org)**

### **THE HOUSE OF REPRESENTATIVES THE TWENTY-EIGHTH LEGISLATURE REGULAR SESSION OF 2015**

#### **Committee on Finance Testimony on H.B. 119, HD2 Relating to Health**

**Friday, February 27, 2015, 11:00 A.M.  
Conference Room 308**

Chair Luke and Members of the Committee:

The Hawaii Disability Rights Center appreciates the opportunity to comment. The federal ABLE law was recently passed with bipartisan support. It will enable individuals with disabilities to have savings accounts to support their needs without jeopardizing any Medicaid eligibility. Our understanding is that the federal law requires state legislation in order to take effect. For that reason this bill seems very timely as it will assist with the implementation of this program. This will allow these individuals to receive private means of support and will lessen their potential dependency on public funds.

Thank you for the opportunity to testify on this measure.



**HAWAII'S PROTECTION AND ADVOCACY SYSTEM FOR PEOPLE WITH DISABILITIES  
HAWAII'S CLIENT ASSISTANCE PROGRAM**

CAP



2/27/15

COMMITTEE ON FINANCE

Rep. Sylvia Luke, Chair

Rep. Scott Y. Nishimoto, Vice Chair

Conference Room 308

Hawaii State Capitol

415 South Beretania Street

Dear Committee Chair, Vice Chair and Members of the Committee:

My name is Lara Bollinger and I am a Board Certified Behavior Analyst and the Treasurer of the Hawaii Association for Behavior Analysis. I'm writing to you today to lend my support to HB 119 which establishes the Hawaii ABLE savings program for families with children with disabilities. I believe this is important to allow families to begin saving now for expenses that come with having a child or adult with disabilities.

Thank you for your time,

Lara Bollinger, M.S.Ed., BCBA

Treasurer, Hawaii Association for Behavior Analysis

**Hawai'i Association for Behavior Analysis (HABA)**

350 Ward Avenue

Ste 106-221

Honolulu, HI 96814

[www.hawaiiaba.org](http://www.hawaiiaba.org)





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## Easter Seals Hawaii

**Administrative Offices**  
710 Green Street  
Honolulu, Hawaii 96813  
Phone: 808.536.1015  
Toll Free: 888.241.7450  
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February 26, 2015

To: Committee on Finance  
Rep. Sylvia Luke, Chair  
Rep. Scott Nishimoto, Vice Chair

From: Ron Brandvold, President & CEO

Re: **HB119/HD 2 – Relating to Health**  
Hearing Scheduled for February 27, 2015 (11:00 am)

For over 60 years, Easter Seals Hawaii has provided exceptional, individualized, family-centered services to empower infants, children, youth and adults with disabilities or special needs to achieve their goals and live independent fulfilling lives. Easter Seals Hawaii is a statewide CARF accredited organization with 15 facilities from Waimea, Kauai to Hilo, Hawaii providing a variety of programs including Early Intervention, Medicaid Waiver Home and Community Based, Employment, and Autism Services.

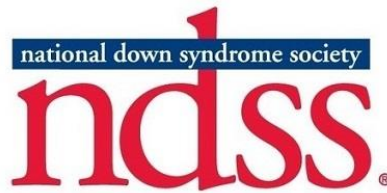
Easter Seals Hawaii supports **HB 119/HD 2** establishing the Hawaii ABLE Savings Program which would allow individuals with disabilities the same kind of flexible savings tools that others in Hawaii have through college savings accounts, health savings accounts and individual retirement accounts. Individuals with disabilities, including those who are Medicaid eligible, and their families could save private funds to support the individual without risking eligibility for Social Security and government programs.

**HB 119/HD 2** follows Congressional passage and Presidential signature of the Stephen J. Beck Jr. Achieving a Better Life Experience (ABLE) Act in December 2014. The ABLE Act and favorable action by this Committee on **HB 119/HD 2** to establish the Hawaii Program recognizes the possibility of additional costs associated with living with a disability. However, it also aligns with other policy objectives intended to encourage the full and competitive employment of individuals with disabilities which benefits not only the individual, but employers, communities, and our State. The Hawaii ABLE Savings Program makes sense.

Easter Seals Hawaii encourages swift passage of **HB 119/HD 2** and establishment and implementation by the Director of Finance in as short a time as possible.

Thank you for the opportunity to provide these comments on behalf of Easter Seals Hawaii.

**LATE**



February 27, 2015  
Hawaii ABLE Act (HB 119 HD2)  
Rep. Sylvia Luke, Chair  
Rep. Scott Y. Nishimoto, Vice Chair  
House Committee on Finance

**The National Down Syndrome Society Written Testimony before the  
House Committee on Finance  
February 27, 2015, 11:00 am**

The National Down Syndrome Society (NDSS) is the largest nonprofit representing and advocating for people with Down syndrome and their families, with over 375 NDSS affiliate groups spanning all 50 states representing over 400,000 people with Down syndrome. ***NDSS strongly supports the passage of the ABLE Act in Hawaii.***

NDSS and Down syndrome advocates have worked tirelessly for eight years to pass the *Stephen J. Beck, Jr. Achieving a Better Life Experience (ABLE) Act* (H.R. 647/S. 313). NDSS DS-Ambassadors, affiliates and advocates in Hawaii were very active in this national effort securing both Senators Schatz and Hirono and Representative Gabbard as cosponsors of the ABLE Act. With 458 cosponsors in the House and Senate (85% of Congress), the ABLE Act was the most bipartisan piece of legislation in the 2013 Congress. Signed into law by President Obama on December 19, 2014, the ABLE Act amends the federal tax code to allow Section 529 tax-exempt savings accounts for disability-related expenses. We anticipate the same level of bipartisanship in the state legislatures as each works toward the passage and implementation of state 529 ABLE accounts.

Currently, people with disabilities cannot have more than \$2,000 worth of assets before critical government support programs they need are cut off. An ABLE account could fund a variety of essential expenses for individuals, including medical and dental care, education, community based supports, employment training, assistive technology, housing and transportation. People with Down syndrome are living longer, healthier and productive lives, working and contributing to society, yet they are forced to take low or no-paying jobs and live in poverty when they have the potential to achieve so much more.

The ABLE Act provides individuals with disabilities the same types of flexible savings tools that all other Americans have through college savings accounts, health savings accounts and individual retirement accounts. Families, who have been able to set up regular 529 college savings accounts for their non-disabled children, now for the first time can save for their children with disabilities.

As the national advocate for the value, acceptance and inclusion of people with Down syndrome, we strongly urge the State of Hawaii to pass Hawaii ABLE Act (HB 119 HD2) to enable individuals with disabilities and their families to save money to live meaningful, productive, and independent lives.

Sincerely,

A handwritten signature in black ink, appearing to read "Sara Hart Weir". The signature is fluid and cursive, with the first name "Sara" being the most prominent.

Sara Hart Weir, MS  
President, National Down Syndrome Society  
666 Broadway, 8<sup>th</sup> Floor  
New York, NY 10012  
(202) 465-3222  
sweir@ndss.org





**LATE**

**TESTIMONY SUBMITTED BY**  
**STUART SPIELMAN, SENIOR POLICY ADVISOR AND COUNSEL**  
**HOUSE COMMITTEE ON FINANCE**  
**FEBRUARY 27, 2015, AT 11:00 A.M.**

**H.B. 119, H.D.2 (ESTABLISHING A HAWAII ABLE SAVINGS PROGRAM)**

Chair Luke and Members of the Committee on Finance:

Thank you for the opportunity to submit testimony for Autism Speaks, the nation's leading Autism science and advocacy organization, in **strong support** of H.B. No. 119, HD2.

On December 19, 2014, the President signed into law H.R. 5771. Division B, Title I of this legislation was the Stephen Beck, Jr., Achieving a Better Life Experience ("ABLE") Act of 2014, which authorizes qualified ABLE programs. H.B. 119, H.D.1 being considered before your Committee would establish a Hawaii ABLE Savings Program.

The federal law was the culmination of an almost decade-long effort to create a new way for people with disabilities and their families to save for future disability expenses without losing eligibility for means-tested federal programs like Supplemental Security Income (SSI) and Medicaid. In testimony last summer before the Senate Finance Committee Subcommittee on Taxation and IRS Oversight, Bob D'Amelio, a volunteer advocate for Autism Speaks and the father of three children, two of whom are on the autism spectrum, offered this support for the ABLE Act:

An ABLE account would enable families like mine to save for housing, job supports, education, and other services without the fear of losing Social Security or Medicaid benefits. The current section 529 plans fall short for the many individuals with autism and other disabilities who cannot or choose not to go on to college. As much as anything else, the ABLE Act is about fairness. If Christi and I can use a college savings account to provide for our daughter Lindsey's future, why can't we use something similar to take care of Nicholas and Christopher?

I would love to sleep at night knowing that I was doing everything I could to secure the future of my children. My son Christopher is a very smart young man, but he will need a job coach and at some point a residential program. Saddling my daughter Lindsey with a big financial burden is not fair when Christi

and I can provide for Christopher. Lindsey is already mature beyond her ten years of age. She knows that she will be looking after Christopher and keeping tabs on Nicholas for her entire life.

Autism teaches you to be strong, to persevere when others tell you to give up, to celebrate the small steps in life, and to appreciate what you have. But autism demands your time and energy and changes how you live as a family. Parents like Christi and I want to do everything we can for our kids – for all of our kids, disabled or not. The ABLE Act would allow families to make the future more secure for children with disabilities, taking the burden off siblings, other family members, and government. Please take the simple step of passing ABLE. We all will sleep better when it becomes law.

Although Bob D'Amelio lives in North Carolina, he spoke for families around the country. Autism affects 1 in 68 children. ABLE programs, which are modeled after qualified tuition programs (also known as "529 plans"), offer families like D'Amelio's a new opportunity to meet the future needs of their children.

Most states are considering ABLE programs. Two states, Massachusetts and Louisiana, authorized ABLE programs *prior* to passage of the federal law. Since the enactment of the federal law, fifteen states, including Hawaii, have introduced enabling legislation.

Autism Speaks supports these nationwide efforts to establish ABLE programs. In particular, we support H.B. No. 119 HD2 and thank you for affording people with autism and other disabilities a new means to save for disability-related expenses.